

## PORTFOLIO HOLDER DECISIONS



**Please refer to Guidance Notes overleaf**

Forward Plan Ref. No.	<b>2017 281 August – Boxworks Management</b>	Date of decision 23 August 2017
Name of Portfolio Holder	Cllr Tom Killen – Portfolio Holder for Strategic Growth	
Name of Officer	Natasha Durham (Senior Planning Policy Officer)	
Details of Decision	<p>To award a contract to Forward Space (FS) to project manage the installation and ongoing management of the Boxworks Mendip Development at the Cheese and Grain on behalf of MDC of which the Portfolio Holder will already be aware.</p> <p>The work required by FS includes the following:</p> <p><b>Project Management of the Installation</b></p> <p>FS will be appointed as project managers for the delivery of the Boxworks Project and will obtain quotes in line with MDC procurement procedures and make recommendations to MDC who will then procure the following:</p> <ol style="list-style-type: none"> <li>I. A 100amp 3-phase mains 240v power supply to the site and connection to the containers</li> <li>II. A fibre optic data line to the site and connection to a managed switch in one container.</li> <li>III. Balcony and staircase to link the two levels of containers</li> <li>IV. Delivery, installation and connection of the containers to the services at the site.</li> <li>V. The design, fit-out and branding of the containers to a budget agreed by MDC.</li> </ol> <p><b>Management</b></p> <p>FS will undertake the following continuing management activities on behalf of MDC:</p> <ul style="list-style-type: none"> <li>• The marketing of Boxworks</li> <li>• The management of lettings in accordance with licence terms agreed with MDC</li> <li>• Procurement of any third party services (authorisation procedures and levels to be agreed)</li> <li>• Procurement of the maintenance and repair of the containers (authorisation procedures and levels to be agreed)</li> <li>• The collection of rent on behalf of MDC. All rents,</li> </ul>	

## PORTFOLIO HOLDER DECISIONS

	<p style="text-align: center;">deductions and expenditure to be reported and transferred to MDC as agreed.</p> <p>The contract is given exemption under paragraph C12.1 (f) of the Council’s Contract Procedure Rules (Section 22 of the Council’s Constitution) which apply to highly specialised/niche services where, for all practical purposes, no realistic alternative source of supply exists. Whilst there may be alternative Project Management options, Forward Space brings a level of added value and experience that other companies could not. Further details are found in “Reasons for Decision” section below.</p>
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Details of consultation carried out:  
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	Chief Executive/ Deputy Chief Executive	Name: Tracy Aarons	Date: 26/07/17
	Legal	Name: Alex Kershaw-Moore	Date: 26/07/17
	Finance	Name: Duncan Moss	Date: 31/07/17
	Group Manager	Name: Sara Skirton	Date: 27/07/17
	Portfolio Holder	Name: Cllr Harvey Siggs on behalf of Cllr Tom Killen	Date: 22/08/17
	Ward Member (mark NA if necessary)	Name: Cllr Des Harris and Cllr Stina Falle	Date: 23/08/17

<p>Reasons for Decision</p>	<p>There is a proven demand for work space in Frome. The particular lack of flexible and “grow on” business space is highlighted as a key issue facing the district’s economy in the Economic Development Strategy which includes aims to both support the district’s diverse micro and SME base and to support new start-ups as well as growing opportunities offered by the “Enterprise Mendip” programme.</p> <p>Delivery of the Boxworks initiative would make a significant contribution to meeting the EDS objectives in Frome and potentially inspire similar ventures elsewhere in the district to support small and start-up businesses. It would also deliver a substantial revenue stream for the Council once the set-up costs have been offset.</p> <p>It is proposed that MDC would fund the capital costs and own the containers and that the project manager, Forward Space, would oversee the delivery and installation of the containers as well as sourcing tenants and managing the workspaces in the longer term (anticipated to be a period of 5 years).</p> <p>Forward Space have a proven track record in delivering successful and innovative workspaces across the South West, including the Old Church School in Frome and the Boxworks Development at the Engine Shed in Bristol. Both venues are full to capacity and are popular and vibrant locations with a</p>
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## PORTFOLIO HOLDER DECISIONS

	<p>number of business and other events.</p> <p>Forward Space therefore already have a successful brand and network of premises which the Boxworks Mendip could buy into and build upon, as well as the specialist expertise in delivering the unique Boxworks model of fitting out high spec office space with links to a host building and creating a fully serviced business hub.</p> <p>Forward Space are therefore able to offer a unique “complete package” which would procure, install, market and manage the development. Procuring each separate element would be a lengthy and resource-intensive process and would not achieve best value. Using the expertise and specialist relevant of experience of Forward Space in delivering Boxworks would ensure the development is delivered in an efficient, timely and cost effective manner.</p>
Any alternative options considered and rejected	<ol style="list-style-type: none"> <li>1. Rely on in-house resource to deliver and manage Boxworks. This was rejected due to limited staff capacity and a lack of expertise.</li> <li>2. Go out to tender for project managers and contractors. This was rejected as the Council would fail to capitalise on the specialist knowledge and experience the proposed provider has in delivering this existing business model and niche development. It is likely that a selection of providers would be required to build the same level of expertise which would be a more costly approach and not gain best value for the council.</li> </ol>
Financial and personnel implications	<p>It is proposed that MDC would fund the capital costs (approx. £300k) and own the containers and that the project manager, Forward Space, would source tenants and run the workspaces.</p> <p>Economic Development is one of MDC’s two corporate priorities and delivery of Boxworks would make a significant contribution towards promoting economic development as well as generating rental income for the Council once the initial set up costs are offset.</p>
Any relevant personal Interest under the Code of Conduct	None
Reports and Background papers relevant to the decision	Report to Phoenix Board 13 June 2017.
Date e-mailed to Members incl Scrutiny Board Chair	<b>Wednesday, 23 August 2017</b>
Date of Publication of Notice	<b>Wednesday, 23 August 2017</b>
Date Decision comes into force (*see below)	<b>Friday, 1 September 2017</b>

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**\* Please Note:** The decision detailed above will come into force, and may be implemented, 5 clear working days after Publication unless subject to call-in by the Scrutiny Board.

<b>Signature of Portfolio Holder</b>	.....
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**Please complete and return to Democratic Services**

## Guidance for Officers

1. The Council's Constitution sets out some quite specific procedures to be followed when decisions are made by individual members of the Cabinet. These are based on statutory requirements and are intended to ensure that:
  - (a) such decisions are made available to the public in the same way as decisions made by the Cabinet as a whole; and
  - (b) Scrutiny Board has an opportunity to consider whether to call-in such decisions for review before they become effective.
  
2. The information required overleaf should be completed in relation to each decision made by a portfolio-holder. Any relevant reports and background papers should be attached as these must be available for public inspection.  
**Please note** that, to comply with the Constitution, the form needs to confirm that various parties have been consulted and to give details of any relevant personal interest of the portfolio-holder.
  
3. The form and attachments should then be forwarded to Democratic Services within 2 days of the decision being made. They will add the date of publication and the date on which the decision will come into force if not called-in, and make the necessary publication arrangements. These will include:
  - publishing the decision on the Council's web-site
  - storing a copy of the form centrally on SharePoint
  - e-mailing a copy of the form to all members, including the chair of Scrutiny Board.

Other methods of publicising the decision may also be used from time to time.
  
4. Democratic Services will return a copy of the form to the officer submitting it giving the date of publication and the date that the decision can be implemented.  
**Please note: It is important to be aware that the decision cannot be implemented until it comes into force – under the current constitutional arrangements this will be 5 working days after publication, provided the decision is not called-in.**
  
5. Decisions should only be called in under exceptional circumstances. If this happens, the procedures in paragraph 14 of the Overview and Scrutiny Rules in Part 8 of the Constitution will be followed, and the decision cannot be implemented until these procedures have been gone through as appropriate.
  
6. Any queries on this procedure should be addressed to Democratic Services or Donna Nolan (ext. 210).